HINTS

ON THE

PRESENT STATE OF THE QUESTION

BETWEEN

HIS MAJESTY'S MINISTERS

AND THE

COURT OF DIRECTORS

RELATIVE TO

The Renewal

OF THE

EAST-INDIA COMPANY'S CHARTER.

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The question respecting the East-India Company's exclusive privileges appears to be confined to one point; which is, whether certain of the Outports of the United Kingdom shall be allowed to import goods therein from the East-Indies.

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The China monopoly is not disturbed, his Majesty's Ministers having stated their willingness to recommend to Parliament, the continuation of this most important trade entirely to the Company.

The Company, it also appears, have agreed to a trade from the Outports of the United Kingdom to India, on condition that the returns of such export trade shall be brought into the port of London only. So that from this it seems to

 follow,

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follow, the Company are willing to allow both import and export to the port of London; and it is presumed to be their intention, that the returns to the port of London should be housed and sold by the Company as at present.

Presuming the above to be a just statement of the question on the part of the Company, the real matters at issue are the following:—

The greater injury the Company's sales will suffer from the sales of similar goods in different parts of the United Kingdom, such sales not being subject to the Company's general arrangement, than those sales would suffer in the event of opening the trade to London only and continuing the sales on the present system.

And the injury the Company would suffer in their tea trade, by the expected introduction of teas in the ships importing Indian goods into the Outports; as it is contended by the Court, no regulations whatever could prevent the illicit traffic in teas under such circumstances.

As the Company have agreed to abate their monopoly of the Indian trade, in conceding an

open trade to the port of London, it is clear the question between the Company and the Out-ports turns on the validity of the above objections. And indeed these objections contain in them matter for such serious apprehension as to the future management of the home finances of the Company, that it cannot have caused any surprize to find it asserted, in the printed correspondence, that without the import of Indian goods being confined exclusively to the port of London, it is impossible for the Court of Directors to look forward with any confidence to the fulfilment of the important part assigned them in the Indian system.

But the Ministers lay it down as an undeniable maxim, that the subjects of this country have an undoubted right to as much liberty of trade as they can enjoy, without injury to any other important national interest; therefore the Ministers contend, the Outports and others have a full right to a participation in the trade to and from India, the Company's exclusive privileges therein not being considered by the Ministers

 sufficiently

sufficiently important to the nation to continue such exclusion in the Company's favour.

If from the operation of the circumstances stated, the sales of India and China goods should be materially affected, it may be justly asked; how are the Company to meet the very large pecuniary demands lately brought, and expected to be annually brought in future on their home funds?

Now if the argument is sound from which is deduced the conclusion that there is no probability of any material increase, if indeed any increase at all, of the late average total sales of Indian goods in England, it then clearly follows, that whatever part of the future consumption of Indian goods is supplied by the imports into the Outports of the United Kingdom, must operate as a deduction in the amount of the Company's sales; and of course, in the proportion of the value supplied through the Outports, deduct from the Company's means for meeting the heavy charges above noticed.

This part of the question is not so much a

question,

question of *profitable* trade, as a question of mere *remittance.* For it must be evident to every one conversant with Indian affairs, that if the Company have to pay in England a large annual sum on the proper account of India, in addition to the former payments on that account, further means must be supplied from India, to enable the Company to meet such additional demands, as the profits on the present trade are already absorbed, in the payment of the dividend on the capital stock, and other fixed and permanent charges.

India is, or ought to be, able to furnish the necessary funds to enable the Company to fulfil these obligations on the account of India. But in what way are these funds to be made available in England for that particular purpose? The trade, it is contended, cannot be increased, and if any part of the present trade remaining to the Company, after admitting the Port of London to a participation, is occupied by the Outports, it then seems clearly to follow, that the funds accumulated in India for remittance to England,

through

through the medium of the Company's commerce, to discharge the Indian debt and other Indian expences transferred to England, must either remain in India, useless as far as this particular and urgent purpose is concerned, or those funds must be returned to England in bullion.

India cannot be expected to furnish this bullion from its own currency, as part of a regular and general system of remittance; because, as India possesses no mines within itself, its currency can only be replenished from without, to make good its own peculiar drains, without adding a new and constant drain for the supply of the funds of the Company in London. Hitherto the Indian circulation has been supplied from the same sources whence the currency of Europe has been supplied. Whether those supplies have found their way to India direct from South America, or through Europe in the first instance, or in the second from Europe and America through China. Little indeed, comparatively speaking, can now be expected direct from Spanish America, owing to its own troubles, and to the disturbed state of

Old

Old Spain, which together have very much impeded the usual influx of bullion to Europe. Still less can be expected through the United States, as it has been stated by their Finance Minister, since their declaration of war against England, that no revenue whatever is calculated from the import of goods from India and China: and if no goods are to be imported, there will not be sent from the United States to India or China, any bullion for the purchase of return cargoes.

From this it seems to follow—First; that during hostilities between England and the United States, no bullion finding its way, as heretofore, thence to India and China, and the disturbed state of Old Spain and its possessions cutting off the like usual supply through Manilla, &c. it will be impossible for India to remit bullion to England to meet the payment of sums transferred from India to England.

And second—That as, from the participation of the outports in the present trade between India and England, the funds of India cannot be invested in commerce to meet the demands on

England,

England, the Company must be brought to a stand; not from the want of funds, but from the absolute want of a remittance of those funds; and that at a season too, when, owing to the particular exigencies of the times, the Company require every aid, to enable them to fulfill their own engagements, and also to contribute to the general welfare of the kingdom at large.

To whatever degree the China trade may be affected, by the increased facilities for smuggling tea, which conceding the import of Indian cargoes to the Outports will cause, in the same degree will the Company's sales in that most important, and to them, in fact, staple article, be affected: so that, what with the deficiency in the amount of sales, together with the want of a remittance through any other channel, the Company are exposed, not to the *possible only*, but in fact to the *probable* hazard, of being compelled in a short time to cease their operations altogether.

It may be objected, that the concession supposed in favour of the port of London will bring the same difficulties on the Company, as are expected

from the supposed further concession to the Out-ports. But to this it may be replied, that by increasing the number of ports for importation, the quantity taken from the Company's imports will be increased in a greater degree than if the port of London only interfered; and also, that by confining the import to London only, no further danger is to be apprehended on account of any defalcation in the sales of tea, from smuggling; which is not likely to be increased, if the Indian trade is not removed from the port of London.

In the discussion, however, which has been carried on respecting these important points, it has been incidentally stated by His Majesty's Ministers, that if matters should proceed to a crisis between them and the Company, means may be devised for conducting the administration of Indian affairs, without having recourse to the Court of Directors as the organ of that administration. As this observation evidently involves the assumption of the revenues of India by the Crown, a brief statement is now entered into, to shew what would be the pecuniary burthen

brought upon the British public, by transferring from the Company to the Crown the territorial possessions and revenues of India.

Without, however, going into any enquiry on the question of right to, or permanent interest in, the soil or the revenues, comprehended in the grants made to the Company previous to the year 1765, it may be presumed a perfectly intelligible principle, that as Parliament has recognised the Company's claim to an interest in those grants; and to the subsequent acquisitions of territory and revenue in India, Parliament cannot entertain a proposition so obnoxious to every principle of British justice, as to deprive the Company of the benefit of those acquisitions, without remunerating them, for the expences actually incurred in obtaining the Indian territory and revenues. Neither can it be supposed, that Parliament would withhold from the Proprietors of East-India Stock that further remuneration, to which they have been encouraged to consider themselves entitled.

Parliament did, in the Act 33d George III,

recognize

recognize the claim of the Proprietors of East-India Stock to at least 200 per cent. on their capital, in the event of the Public participating in the then expected surplus proceeds from the Indian territorial revenues. In several subsequent Acts, this principle has been admitted and confirmed. Now it may be presumed, if the administration of the revenues of India should be taken from the Company, and as the necessary and absolute consequence thereof, the prospect of this reimbursement to the Proprietors should be altogether destroyed, that the least remuneration which the Proprietors could claim, and the least also that Parliament would grant, when it is considered that to the Company is to be principally ascribed the acquisition and maintenance of the Indian Possessions, would be the repayment of the capital stock at 200 per centum.

If Parliament deprive the Company of their exclusive privileges as a trading corporation, and also deprive them of the Indian revenues, it is the same thing as closing the operations of the East-India Company altogether. And in this

 case

case it is clearly equitable, if the Parliament open the trade to the British public, and assume the Indian revenues, that the British public should take also upon themselves all the debts, engagements, and incumbrances, which the Company have come under on account of the trade and revenues of India.

These engagements (such as are of a pecuniary nature only are now under consideration), may be briefly stated as follows.

1*st*. *In India*. The whole interest of the Indian debt which the governments in India have made payable in England, and to which the Ministers of the Crown have assented: the annual amount of which is about £1,500,000.

The Company are also bound to the payment in England of pay on furlough and retirement, to the officers of their Indian army; and to the payment of the demands on account of King's troops serving in India, amounting together to about £500,000 per ann., which charges would be borne by the public in the event of the Indian administration being transferred to the Crown.

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There are further sums payable in England on account of India, for which the Company have hitherto provided the necessary funds, and which sums will continue to be required in England, whether the administration of the Indian revenues remains with the Company or should be transferred to the Crown; these sums may be taken at the annual amount of about £400,000.

There is further to be provided for, the interest and sinking fund on the loan of £2,500,000 from the public, amounting to £242,820 per ann., which must be paid, whatever becomes of the Indian revenues, or by whomsoever they are administered.

These sums together, therefore, on account of India, payable in England, amount annually to about £2,650,000

2d. In England. What owing on securities of the Company's bonds and annuities and for bills from India, say about £9,500,000, and the amount of the capital stock at £200 per centum, as before stated,

£12,000,000

£12,000,000, making together an aggregate of £21,500,000

From which should be deducted the available assets in England, being the goods in warehouse unsold, and the value of goods, after deducting charges, which may be expected to arrive in England in the current year; together with the amount remaining due from government for annuities, which would not be payable to the Company, in the case supposed 10,500,000

£11,000,000

This remaining sum, if funded on the most reasonable terms, cannot be supposed to require a less interest than £5 per cent., which would constitute an additional annual charge in England to the amount of £550,000; making with the sum supposed annually payable in England on account of India, the aggregate of £3,200,000, as the charge brought upon the public by the presumed

presumed change in Indian management; without including any charge for remuneration to such of the Company's officers, owners of ships, tradesmen, &c. &c. as may materially suffer from the loss of emolument in some instances, and from the loss of employment altogether in others.

In return for this great annual charge, brought upon the British public by the transfer supposed, that public would obtain in India, the revenues with all the Company's present property there, together with the cargoes afloat on their voyage thither; a very small part of which can be turned into available funds. And in England, the East-India House, warehouses, and all other appurtenances, which are equally unavailable with similar property in India.

In the event of the supposed change taking place, it may be considered, at least, doubtful, whether the public would derive an amount of clear annual revenue in Egland from the India and China trade, equal to that which now flows through the East-India Company into the King's

Exchequer,

Exchequer. But important as this consideration is, when the present amount of that revenue is contemplated, *viz.* more than £4,000,000 per annum, there is another consideration connected with the subject, which is of importance, by no means inferior to the question of revenue —consisting of duties of custom and excise—and which now requires to be noticed.

The Company have no other means of providing for the large sum annually payable in England, than by the sale of their investments from India and China; and it is clearly demonstrable, since the interest on the Indian debt has become payable in England, that the amount of that interest so payable in England not being demanded in India, should be applied, in the first instance, to the provision of investment for the London market. This encreased application of funds in India for the purchase of investments, would necessarily induce, so long as the sales of Indian produce in England do not materially increase, a corresponding reduction in the value of exports hitherto furnished from

England for the purchase of investments in India. The operation of these circumstances would, together with other changes flowing from this alteration in the course of affairs, enable the Company to provide for all the demands brought upon their home funds, by the interest on the Indian debt and other Indian charges payable in England.

But if the trade is laid open to the public, and the revenues be administered by the Crown, it becomes a question of much moment, as to the manner in which the King's Ministers are to render the Indian revenues available in England, for paying the annual sum of £3,200,000 before mentioned.

It is an unquestionable fact, that India has absorbed a very large portion of the bullion supplied from the mines of the western world, probably not much less than three millions sterling annually on an average of the last eight or nine years; but although this is the fact, it by no means follows, that India is capable of furnishing from its circulation, any considerable part of this annual importation, in payment of the demands

transferred from India to England. Indeed, when it is considered that this absorption of the precious metals in the East has been going on for a long course of years, it is most probable, even under ordinary circumstances, that India could not be expected to do more than to furnish on a pressing emergency, two or three millions sterling for the relief of the home Treasury. But in the present situation of the Western world, it is to be apprehended, so far from India being able to afford bullion for the relief of England, that India itself will suffer some distress and embarrassment, from the failure of those annual supplies which have hitherto been furnished, through the commerce of the United States, and from the remittances through Old and New Spain, Portugal and foreign Europe.

It appearing then that India cannot transfer any considerable portion of its revenues to England, by annual supplies of bullion, so as to meet effectually the sums on account of India made payable in England, it would seem therefore to follow, that the mode for completing this neces-

sary transfer in future years, must be the same which has obtained in former years — which is through the medium of a regular and well conducted commerce. But if the East-India Company, according to the supposed case, are not to become the channel for this most important commerce; on whom, it may be fairly asked, is this duty to devolve?

Is it to be presumed that Parliament would sanction so novel and extraordinary a procedure, as to allow the King's officers in India, advancing from the public revenues there, funds to resident merchants, or to the supra-cargoes of merchants residing in England, for the purchase of goods for the English markets? But were a measure of this sort to be adopted, the sums so advanced in India could only be returned into the King's Exchequer, on the sales of those cargoes in England. And in this case, how many difficulties must be overcome in India in the commencement of the plan; and how many more must be encountered in England to render such a plan efficient here! How many new offices must be

 instituted

instituted both in India and in England; and after all, where will be found the security for the money advanced, and for its repayment in England, so as to meet the charges for which those sums are appropriated in India? Will the Crown take the risk of the seas,—are its officers to examine into the sea-worthiness of the ships —or to exercise any controul, or judgment, respecting the loading or departure of the ships?— Is the appropriation of the sums advanced in India to be left altogether to the discretion of the merchants or their supra-cargoes, applying for those advances? And is this large annual amount to be placed altogether beyond the reach or management of the servants of the Crown in India?

And again, in respect to management in England—the cargoes will be secured in bonded warehouses. In the case of home consumption, are the sales and deliveries to be left altogether to the discretion of the importers? And in the case of exportation, how is the amount advanced on such cargoes, or parts of cargoes,

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to be secured, and the advances returned? Will officers of the Crown be appointed to secure such a sale value of the cargoes sold, as will be sufficient to indemnify the Crown for the advances, and also to prevent the deliveries of the goods till such advances are repaid?

It is clear, that if some efficient checks, controul and regulations, are not established on all these points, both in India and in England, there will be no security whatever for the due return of the sums advanced in India. And if such efficient controul is effected, what is to become of that liberty of trade, for which it appears so many are anxiously seeking?

It is indeed too probable, the trader, under such circumstances, would find himself more crippled in all his operations, than has been stated by those, who have complained of the vexations and difficulties, to which they have been exposed under the Company's present regulations.

These are some of the difficulties which present themselves, on a very cursory review of the consequences of that change, which is supposed to

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be meditated by those who are hostile to the Company's wish, to keep the import trade of India to the port of London alone. It is unnecessary to state the actual uncertainty of any real increase of the trade by the change supposed; indeed, some of the most strenuous advocates for the participation of the Outports argue their right to a share of the present trade, if it should be demonstrated that trade cannot be increased in any degree whatever. It may be considered sufficient to request that a due attention be paid to the several points which have been very briefly stated. Considering on the one hand the real advantages of the present system, or of that to which the Company have assented, viz. giving the Port of London free import and export to all parts of India, through the Company's several establishments abroad and at home, together with a free export to India from the Outports, and leaving the private merchant to employ his own tonnage and to regulate the sailing of his own ships according to his own discretion, and taking into account, on the other hand, the almost certain ruin of the

Company

Company and its various establishments, together with the addition of a large annual sum to the public taxes in England as before stated.

It is therefore hoped, these plain and cursory hints will induce that serious reflection on the whole of this momentous subject, as to cause a patient reconsideration of all the points which have been brought into discussion, that at length the whole question may be finally settled, with the full concurrence of His Majesty's Ministers, the satisfaction of the just expectations of the East-India Company, and to the real benefit of the merchants and manufacturers and the British public in general.

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